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ABSTRACT

This report presents some of the results of the first annual Survey of Corporate Contributions. The information included in this document relates primarily to corporate support of education. Tables cover: (1) national trends in corporate pre-tax net income and contributions; (2) corporate support of education as a percentage of total corporate contributions; (3) total corporate contributions and corporate support of education as percentages of pre-tax net income; (4) corporate support in relation to total voluntary support; (5) distribution; (6) a two-year survey; (7) total contributions and educational support in relation to pre-tax net income, assets, and sales, by industry; (8) educational support as a percentage of pre-tax income, by industry; (9) contributions by manufacturing companies, by purpose; (10) corporate contributions to education by major marketing areas; (11) corporate support of education as a percentage of pre-tax income, by marketing areas; and (12) corporate support of education by purpose. (Author/KE)

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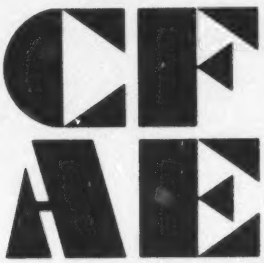

Council for Financial
Aid to Education

# CORPORATE SUPPORT OF HIGHER EDUCATION 1974

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Based on the ANNUAL SURVEY OF CORPORATE CONTRIBUTIONS, 1974

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# CORPORATE SUPPORT OF HIGHER EDUCATION, 1974


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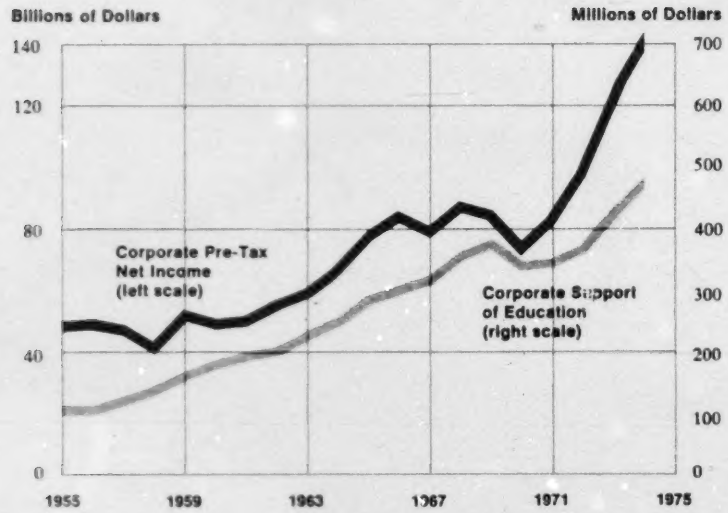
One of a series of publications designed to promote corporate support of higher education produced by the Council for Financial Aid to Education (CFAE).

A complete list of CFAE publications may be obtained from the CFAE, 680 Fifth Avenue, New York, N. Y. 10019.

CHART 1

U.S. BUSINESS CORPORATIONS PRE-TAX NET INCOME
AND SUPPORT OF EDUCATION




Sources: U.S. Department of Commerce, Bureau of Economic Analysis;
Council for Financial Aid to Education.

# Introduction

The Council for Financial Aid to Education is pleased to have joined with The Conference Board in the new Survey of Corporate Contributions. The merger of the two biennial surveys into a single annual undertaking is clearly in the interests of the business community which both organizations serve.

The estimates of total corporate support of education shown on the above chart are based on data gathered from this Survey, previous CFAE Surveys of Corporate Support of Higher Education, the annual Surveys of Voluntary Support of Education, and other sources. These figures are also shown in Table I on page 5, together with related figures on corporate pre-tax net income and total corporate contributions.

As the above chart indicates, corporate aid to education has moved off the 1968-1972 plateau and up into new high ground. At $445 million in 1974, it stands 78% higher than it did ten years previously and nearly 22% above 1972. These gains are impressive. They indicate that the corporate community has continued its determination to underwrite educational costs in a way that enhances both the vitality of higher education and the interests of the business corporation.

As impressive as these figures are, they are still not satisfactory. Corporate support of education has not grown as fast as overall voluntary support of colleges and universities, it has not grown as fast as the financial needs of higher education, and it has not grown as fast as corporate profits. It is now time for the corporate community to raise its goals for educational support to levels that are fully reflective of its own best, long-range interests.

We hope that this report will be helpful to business executives in reassessing their aid-to-education programs and in relating their efforts to the needs of higher education. We hope also that it will be useful to others who are concerned about the future of higher education and its role in American society.

With the passage of time, we expect that this new Survey will become increasingly valuable to the businessman and the academic alike as a source of reliable and relevant information. The reactions of interested readers will be most welcome.

To all those who gave of their time and effort to make this Survey successful, we express our appreciation.

Raymond C. Johnson
President
Council for Financial Aid to Education

December 1975

# About This Report

This report presents some of the results of the first annual Survey of Corporate Contributions, a joint project of the CFAE and The Conference Board.

Between 1954 and 1972 the CFAE conducted ten biennial Surveys of Corporate Support of Higher Education. During the same period of time, The Conference Board conducted a Survey of Company Contributions which was on a triennial basis until 1968 and biennial thereafter. In 1974, the two organizations agreed to combine these separate efforts into a single annual survey designed not only to obtain the most comprehensive information possible regarding corporate contributions, but at the same time to avoid duplication, to standardize definitions, and to eliminate the inconsistencies that had developed with the two separate surveys.

The response of the corporate community to this joint project has been overwhelmingly favorable. For this 1974 Survey, usable questionnaires were returned by 799 companies, a much larger participation than had ever been accorded either of the separate surveys of the past. This increase in corporate participation implies a gain in both the breadth and the reliability of the Survey statistics.

**Two Reports**

The information included in this report relates primarily to corporate support of education; a more general report on the Survey is contained in The Conference Board's publication, *Annual Survey of Corporate Contributions*. In tabulating the Survey data, both organizations have attempted to ensure that the material presented is consistent and meaningful. Since the focus of the two reports differs somewhat, there are differences in presentation that reflect the structural problems of data tabulation.

As with all surveys, for example, not all the respondents answered all the questions. Consequently, each tabulation of Survey data is based on the number of companies answering the specific question or questions involved. Some of the data presented, therefore, are not fully consistent from table to table. The differences, where they occur, are small and of little significance.

**Definitions—Contributions**

In this report, both total corporate contributions and corporate support of education are stated as though company-sponsored foundations were integral parts of the corporations themselves. That is, the data *exclude* grants by corporations to their own foundations and *include* grants by corporate foundations to charitable and educational recipients. This treatment of the data results in some inconsistency with the IRS figures shown in Table I. The IRS data, which are tabulated from corporate income tax returns, *include* corporate grants to company foundations and *exclude* the contributions made by the foundations themselves. While the difference between these two concepts can be large, there tends to be a substantial degree of averaging over the course of the business cycle and an appreciable amount of offsetting as between companies in any given year. This latter point is illustrated by the Survey itself; in 1974, the total of corporate contributions to their own foundations reported by 239 companies was $154.1 million, while the grants of 329 company-sponsored foundations to educational and charitable recipients amounted to $154.3 million.

**Definitions—Financial Data**

The information regarding sales, assets, and pre-tax income are basically the figures reported by corporations to their stockholders in consolidated financial statements. The figures on pre-tax net income, therefore, include income derived from overseas sources as well as income earned in the United States. This accords

with the definition of corporate profits before taxes used by the U.S. Department of Commerce in compiling such figures as a component of the national income accounts.

Some companies have expressed an interest in alternative data in which corporate income earned outside the United States is excluded in making comparisons between companies and industries of contributions as percentages of pre-tax income. In an effort to be responsive to this interest, and to gather useful information on this question, the Survey questionnaire included space for both "Worldwide" and "U.S. Only" financial information. The basic tabulation of this information, together with the contributions figures for the reporting companies, is presented on page 10 of this report.*

To ensure the maximum possible comparability with both the previous CFAE Surveys and the national data for all corporations, the tabular material and charts in this report are based exclusively on the "Worldwide" data supplied by the participating companies. Comparisons with the "U.S. Only" data may be found in many of the detailed tables in The Conference Board's report.

**Survey Biases**

Despite the favorable response of the corporate community to this Survey and the increased reliability of the tabulated data, the derived statistics contain significant biases of which the reader should be aware. The greatest bias arises from the fact that the participating companies constitute a sample that is not representative of the entire corporate community. On the contrary, the Survey sample is heavily weighted by the largest corporations in terms of sales, assets, and earnings, and the same bias is present in each of the industrial and geographic groupings. The Survey sample also contains a disproportionate number of companies in the manufacturing and utility industries, and it is significantly underrepresentative of companies engaged in construction, retail and wholesale trade, and business services.

The significance of these biases lies primarily in the fact that the reported levels of corporate contributions as percentages of corporate earnings, assets, and sales are lower for the companies participating in this Survey than they are for the corporate community as a whole. As indicated in Table V of this report and comparable tabulations in The Conference Board's report, these percentages are inversely correlated with corporate size. It is virtually certain, therefore, that a more representative sample of companies would show higher percentages than those presented in the two Survey reports.

The indicated distribution of corporate contributions by type of donee (health and welfare, education, etc.) is also distorted by the overrepresentation of large corporations and the atypical industrial composition of the Survey sample. As shown in Table IV, corporate support of education as a percentage of total corporate contributions differs widely from one industry to another. While it is clear that a more representative sample would give a better indication of the distribution of corporate contributions and gifts, the exact size and character of the Survey biases in this respect are not known.

The CFAE and The Conference Board are anxious to improve the usefulness of the Survey in every way practical. The two organizations encountered enormous problems of a technical nature with this first joint effort, and both are determined to improve the quality and the timing of the Survey reports in years to come. The views of those in the corporate community and other users of these reports are earnestly solicited. Comments, questions, and suggestions may be sent to either, or both, organizations.

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*On the questionnaire, each company was asked, "Are your Company's operations multi-national?" While 379 companies replied "Yes," 185 of them did not report their "U.S. Only" figures. A few companies that replied "Yes" to this question reported their data in the "U.S. Only" column; it was subsequently determined that such data was in fact "Worldwide." Virtually all of the 420 companies that replied "No" to this question gave only one set of financial figures, and these data were automatically classified as both "Worldwide" and "U.S. Only."

# Part I. National Trends

**Corporate Support of Education at an All-Time High**

Total corporate support of education in 1974 continued the uptrend which began three years earlier and reached a record high estimated at $445 million. This figure reflects an increase of 8.5% over 1973, 21.9% over 1972, and 30.9% over the recession low in 1970. In the 1964-74 decade, the growth of educational support amounts to 78.0%, or an average of 5.9% per year.

Educational support as a percentage of corporate pre-tax net income (PTNI) is estimated to have decreased in 1974 for the fourth year in a row to a level of 0.32%. This compares with 0.33% in 1973, 0.37% in 1972, and 0.43% in 1970. It also constitutes the lowest level of educational support in relation to corporate earnings since 1959.

These estimates and some related figures on total corporate contributions are shown in Table I and on Charts 1, 2, and 3. The estimates of total corporate support of education are based on the 1974 Survey of Corporate Contributions, the Surveys of Corporate Support of Higher Education, the Surveys of Voluntary Support of Education, and other information.

The recent decline of corporate support of education as a percentage of PTNI is partly due to a parallel decline of total corporate contributions in relation to PTNI and partly due to a decrease of educational support as a percentage of total corporate contributions. Educational support accounted for 35.6% of estimated total contributions in 1974, down from 36.0% in 1973, 36.5% in 1972, and 40.2% in 1970. The 1974 figure is, however, well within the range of variation since the late 1950's, as shown on Chart 2.

The more significant factor is the decline of total corporate contributions as a percentage of PTNI, and this is a reflection of the fact that contributions have grown less rapidly than PTNI. The final IRS tabulations of corporate income tax returns for 1972 show that total corporate contributions and gifts rose from $797 million in 1970 to $1,009 million in 1972, an increase of 26.6% for the two-year period. This gain is considerably larger than had previously been estimated on the basis of the evidence available in 1973 and 1974. The only available estimate of total contributions for 1974 is $1,250 million, which implies an increase of 23.9% over 1972 and 56.8% over 1970. It is a record high for corporate philanthropy.

Although the recent gains of corporate contributions in dollar amount are rather extraordinary, they are not as large as the growth of corporate pre-tax net income. At $140.7 billion in 1974, corporate earnings before taxes stood 41.8% above 1972 and 90.1% above 1970. As a result of the growth rate differentials, corporate contributions as a percentage of PTNI declined from 1.08% in 1970 to 1.02% in 1972, and 0.89% in 1974. This last figure is the lowest level since 1957.

It must be emphasized that some of the basic figures

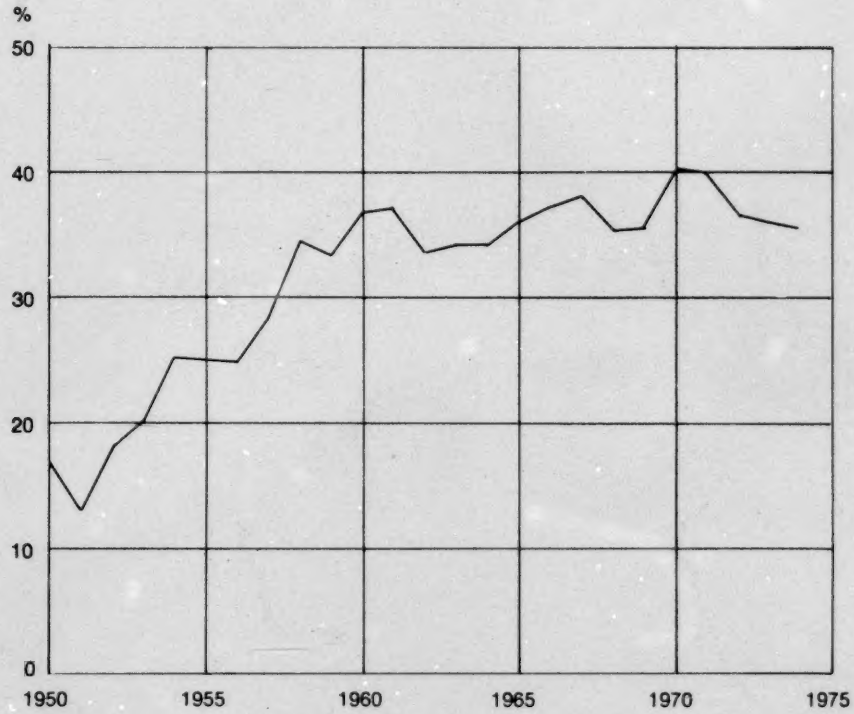
**Table I. NATIONAL TRENDS IN CORPORATE PRE-TAX NET INCOME AND CONTRIBUTIONS**

| Year | Corporate Pre-Tax Net Income* (billions of dollars) | Corporate Contributions (millions of dollars) Total** | Education*** | Contributions as a Percentage of Corporate Pre-Tax Net Income Total | Education | Educational Support as a Percentage of Total Contributions |
|---|---|---|---|---|---|---|
| 1950 | 42.6 | 252 | 43 | 0.59 | 0.10 | 17.0 |
| 1957 | 47.2 | 419 | 120 | 0.89 | 0.25 | 28.6 |
| 1958 | 41.4 | 395 | 137 | 0.95 | 0.33 | 34.7 |
| 1959 | 52.1 | 482 | 160 | 0.93 | 0.31 | 33.2 |
| 1960 | 49.7 | 482 | 178 | 0.97 | 0.36 | 36.9 |
| 1961 | 50.3 | 512 | 190 | 1.02 | 0.38 | 37.1 |
| 1962 | 55.4 | 595 | 200 | 1.07 | 0.36 | 33.6 |
| 1963 | 59.4 | 657 | 225 | 1.11 | 0.38 | 34.2 |
| 1964 | 66.8 | 729 | 250 | 1.09 | 0.37 | 34.3 |
| 1965 | 77.8 | 785 | 283 | 1.01 | 0.36 | 36.1 |
| 1966 | 84.2 | 805 | 300 | 0.96 | 0.36 | 37.3 |
| 1967 | 79.8 | 830 | 315 | 1.04 | 0.39 | 38.0 |
| 1968 | 87.6 | 1,005 | 355 | 1.15 | 0.41 | 35.3 |
| 1969 | 84.9 | 1,055 | 375 | 1.24 | 0.44 | 35.5 |
| 1970 | 74.0 | 797 | 320 | 1.08 | 0.43 | 40.2 |
| 1971 | 83.6 | 865 | 345 | 1.03 | 0.41 | 39.9 |
| 1972 | 99.2 | 1,009 | 365 | 1.02 | 0.37 | 36.5 |
| 1973 | 122.7 | 1,140† | 410 | 0.93 | 0.33 | 36.0 |
| 1974 | 140.7 | 1,250† | 445 | 0.89 | 0.32 | 35.6 |

* U.S. Dept. of Commerce.
** Internal Revenue Service.
*** CFAE.
† American Association of Fund-Raising Counsel.

CHART 2

CORPORATE SUPPORT OF EDUCATION AS A
PERCENTAGE OF TOTAL CORPORATE CONTRIBUTIONS




cited here are subject to revision. Before the end of 1975 the Department of Commerce will revise several of its recent estimates of corporate profits, and some of the new figures will be subject to further revisions in 1976 and 1977. The total contributions estimates for 1973 and 1974 are based on fragmentary data which may not be representative of the entire corporate universe, but the final IRS tabulations for these years will not be available until 1976 and 1977, respectively.

However, the general conclusion based on current estimates is consistent with the findings of the 1974 Survey of Corporate Contributions: total corporate giving and total corporate support of education as percentages of PTNI have declined for several years in a row and in 1974 reached levels that are lower than those which have prevailed since the late 1950's.

**Variations from Trend**

In the perspective of history, total corporate contributions as a percentage of PTNI appears to have been as much below its long-term trend in 1973 and 1974 as it was above trend in 1968 and 1969. As is evident on Chart 3, this percentage was in a rising trend prior to 1968; it averaged about 0.70% in the late 1940's, about 0.90% in the late 1950's, and with the exception of one year was above 1.00% after 1961. In 1963 it reached 1.11%, at that time the highest level ever reached in a peacetime year. The decline of 1964-66 proved to be of a short-term character, and the uptrend was resumed in 1967. In 1968 and 1969 the percentage of contributions to PTNI rose to extraordinary levels which were clearly above the previous pattern of growth. At 1.24% in 1969 it was higher than the Korean War peak in 1953 and substantially higher than in any other year with the exception of the World War II peak in 1945.

Although the percentage declined from this extraordinary level in 1970, 1971, and 1972, it remained above 1.00% and was well within the normal range of variation around its long-run trend. However, if the estimates of corporate contributions in 1973 and 1974 prove to be reasonably accurate, the further decline to a level below 0.90% will represent a significant development. It will mark the first time that the contributions rate, or percentage to PTNI, has declined for five years in a row, and it will mark the first time that the rate has fallen materially below trend. The inevitable question is whether this development is a transitory thing which will be reversed in the near future or whether it signals a permanent change in corporate attitudes.

The answer lies in one's assessment of the causes of the recent decline. Any departure from a well-established trend must be the result of some factor or factors that differ from those operating in the past. The sharp upturn in the contributions rate in 1968 and 1969, for example, is believed to reflect the 10% income tax surcharge imposed in those years and the imminence of tax

reform legislation affecting the valuation of corporate gifts-in-kind and changing the rules applyir.g to corporate foundations. These factors were not present in 1970 and later years, and it is reasonable to assume that they were the principal causes of the above-trend results of 1968 and 1969.

**Impact of Inflation**

The only comparable factor that might explain the below-trend results of 1973 and 1974 is inflation. General price levels were in a rising trend prior to 1973, but the increases averaged only about 4% per year. The rate of inflation accelerated to double-digit proportions in early 1973 and throughout 1974, and at the end of 1974 prices were 24% above 1972.

One consequence of this rapid rise of prices was a sharp increase in that component of corporate profits attributable to inventory appreciation. Although the estimates of these "inventory profits" are subject to a wide margin of error, data from the national income accounts indicate that corporate earnings of this character jumped 400% between 1972 and 1974 and rose as a percentage of total corporate PTNI from 7.0% in 1972 to nearly 25.0% in 1974.

If the rapid pace of inflation in 1973 and 1974 is indeed responsible for the below-trend contributions percentages in those years, then it is highly probable that the percentage of contributions to PTNI will return to levels above 1.00% as the pace of inflation subsides. This presumption is reinforced by the observation that total contributions as a percentage of PTNI adjusted for inventory profits was roughly constant from 1971 to 1973 and turned upward in 1974.

The inflation phenomenon also suggests something important about corporate policy. Although conventional corporate accounting does not distinguish inventory profits from other earnings, financial analysis is capable of providing estimates that are adequate for policy purposes. Knowledge of the extent to which current earnings are inflated, and thus "abnormal," may therefore result in contributions budgets being formulated on the basis of profits obtained only from normal business transactions. That is, it appears that corporate management discounts its PTNI for the effect of inflation in allocating funds for contributions purposes.

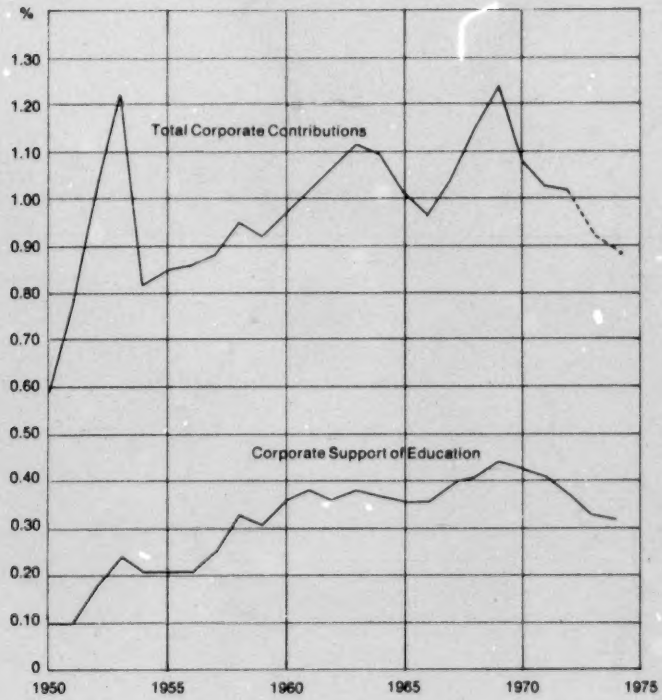
Assuming that the pace of inflation continues to moderate, as it has since the end of 1974, it is probable that corporate contributions and corporate support of education as percentages of PTNI will return to pre-1973 levels and that the 1973-1974 experience will come to be regarded as an aberration.

**Corporate Support of Colleges and Universities**

The estimates of corporate support of education shown in Table I include not only direct and indirect support

CHART 3

TOTAL CORPORATE CONTRIBUTIONS AND CORPORATE SUPPORT OF EDUCATION AS PERCENTAGES OF PRE-TAX NET INCOME




*Estimated

Table II. CORPORATE SUPPORT OF COLLEGES AND UNIVERSITIES IN RELATION TO TOTAL VOLUNTARY SUPPORT AND INSTITUTIONAL EXPENDITURES

| Year | Total Expenditures of Institutions of Higher Education* (billions) | Voluntary Support of Institutions of Higher Education** (millions) | | Voluntary Support as a Percentage of Institutional Expenditures | | Corporate Support as a Percentage of Total Voluntary Support |
|---|---|---|---|---|---|---|
| | | Total | Corporate | Total | Corporate | |
| 1958-59 | $ 6.2 | $ 760 | $119 | 12.3% | 1.9% | 15.7 |
| 1959-60 | 6.7 | 815 | 130 | 12.1 | 1.9 | 16.0 |
| 1960-61 | 7.7 | 900 | 147 | 11.7 | 1.9 | 16.3 |
| 1961-62 | 8.5 | 950 | 154 | 11.2 | 1.8 | 16.2 |
| 1962-63 | 10.2 | 1,050 | 169 | 10.3 | 1.7 | 16.1 |
| 1963-64 | 11.3 | 1,215 | 182 | 10.8 | 1.6 | 15.0 |
| 1964-65 | 12.9 | 1,400 | 196 | 10.9 | 1.5 | 14.0 |
| 1965-66 | 15.2 | 1,440 | 230 | 9.5 | 1.5 | 16.0 |
| 1966-67 | 17.5 | 1,480 | 249 | 8.5 | 1.4 | 16.8 |
| 1967-68 | 19.9 | 1,600 | 250 | 8.0 | 1.3 | 15.6 |
| 1968-69 | 22.1 | 1,800 | 272 | 8.1 | 1.2 | 15.1 |
| 1969-70 | 24.7 | 1,780 | 269 | 7.2 | 1.1 | 15.1 |
| 1970-71 | 27.1 | 1,860 | 259 | 6.9 | 1.0 | 13.9 |
| 1971-72 | 29.2 | 2,020 | 275 | 6.9 | 0.9 | 13.6 |
| 1972-73 | 31.4 | 2,240 | 318 | 7.1 | 1.0 | 14.2 |
| 1973-74 | 35.4 | 2,240 | 354 | 6.3 | 1.0 | 15.8 |
| 1974-75 | 39.5 | n.a. | n.a. | n.a. | n.a. | n.a. |

*U.S. Office of Education.
**Estimates by CFAE from Surveys of Voluntary Support of Education and other sources.
n.a.—not available.

of the institutions of higher education but also scholarships and fellowships other than those administered by colleges and universities, support of pre-college educational institutions, support of education-related organizations, and miscellaneous contributions of an educational nature. Although the estimates of total educational support show an increase of 21.9% between 1972 and 1974, the indications are that corporate support of colleges and universities increased substantially more.

As shown in Table VII (page 18), some 73.3% of the total educational support reported in the 1974 Survey of Corporate Contributions represents direct and indirect support of colleges and universities. The corresponding figure from CFAE's 1972 Survey of Corporate Support of Higher Education was 65.5%. If these divisions of the corporate educational dollar as indicated by the Survey samples apply equally to the entire corporate community, then corporate support of the institutions of higher education rose from about $240 million in 1972 to about $325 million in 1974, a gain of 35%. The unrepresentative character of the two survey samples of companies and the lack of precise comparability between the two samples themselves suggest that these figures are of the "ballpark" variety. However, the general conclusion that support of colleges and universities increased more than support of education in total is borne out by other data.

In the annual Survey of Voluntary Support of Education, the support received from business corporations has historically accounted for between 13% and 17% of total support from all sources reported by the participating colleges and universities. The specific figures and some related data are given in Table II. If the 13.6% of the 1971-72 Survey and the 15.8% of the 1973-74 Survey are applied to the respective estimates of total voluntary support of higher education in those years, then the total support received by the institutions of higher education from the corporate community rose from about $275 million in 1971-72 to about $354 million in 1973-74, a gain of 28.7% for the two-year period.

Although these two sets of estimates apply to slightly different accounting periods, and are otherwise not strictly comparable, they agree in order of magnitude, and the percentage increases are sufficiently close to provide a basis for confidence. Taken together, these two independent sources of information indicate clearly that corporate support of higher education, which had been on a plateau between 1968 and 1972, moved upward in 1973 and 1974 and achieved new record highs.

**Corporate Support Reverses Trend Relative to Institutional Needs**

Table II also shows the total expenditures of the institutions of higher education and estimated total voluntary support, together with the percentages of total voluntary support and corporate support to institutional expenditures. As indicated, the growth of voluntary support has been less than the growth of expenditures, so that the percentage of support to expenditures has been in a declining trend throughout the period shown. At 6.3% in 1973-74, voluntary support accounted for only half as large a share of institutional expenditures as in 1958-59.

The long-term decline in the relative importance of corporate support, however, appears to have come to an end and may have reversed itself to a modest degree. As a percentage of institutional expenditures, corporate support declined steadily from 1.9% in 1958-59 to 0.9% in 1971-72. Between 1971-72 and 1973-74 corporate support increased more than institutional expenditures and the percentage moved up to 1.0%; although this reversal is modest in size, it is the first upward movement since 1958-59.

# Part II.
# The Survey Findings

# Summary

Although 799 companies returned Survey questionnaires, not all of them supplied complete information. In summary, however, they did report a total of $438.1 million in contributions, gifts, and grants in 1974, distributed as follows:

Distribution of Corporate Contributions
(799 companies reporting)

| | (millions) | (%) |
|---|---|---|
| Health and Welfare | $168.8 | 38.5 |
| Education | 153.0 | 34.9 |
| Culture and Art | 32.0 | 7.3 |
| Civic Causes | 45.8 | 10.5 |
| Other | 38.5 | 8.8 |
| | $438.1 | 100.0 |

In this 1974 Survey, for the first time, all companies were asked to supply information on both their total (worldwide) income, assets, and sales and their domestic (U.S. only) income, assets, and sales. "Worldwide" financial information was reported by 732 companies, and 547 of them also reported their figures on a "U.S. Only" basis, as follows:*

| | 732 Companies Reporting "Worldwide" Income, Assets, and Sales | 547 Companies Reporting "U.S. Only" Income, Assets, and Sales |
|---|---|---|
| Total Contributions | $ 420,128,000 | $ 231,452,100 |
| Support of Education | 147,659,200 | 75,044,100 |
| Pre-Tax Net Income | 85,258,800,000 | 34,726,300,000 |
| Total Assets | 1,373,024,800,000 | 738,866,600,000 |
| Net Sales | 848,496,200,000 | 383,556,200,000 |
| Total Contributions as a Percentage of: | | |
| Pre-Tax Net Income | 0.493 | 0.667 |
| Total Assets | 0.031 | 0.031 |
| Net Sales | 0.050 | 0.060 |
| Support of Education as a Percentage of: | | |
| Pre-Tax Net Income | 0.173 | 0.216 |
| Total Assets | 0.011 | 0.010 |
| Net Sales | 0.017 | 0.020 |

The "Worldwide" data generally reflect the figures given in the companies' own financial statements as reported to their stockholders and are consistent with the tabulated statistics on the corporate sector as reported by various U.S. Government agencies. The "U.S. Only" data reflect an allocation of financial information between foreign and domestic operations; although there are no comparable national figures, these data are of interest as an alternate measure of the levels of corporate giving.

* The reader is cautioned against any attempt to derive meaningful percentages by subtracting the figures in the right-hand column from those in the left-hand column. Although the differences between the contributions figures do apply to the 185 companies not included in the "U.S. Only" column, the same is not true of the differences between the corporate financial data. This arises from the fact that the financial data in the left-hand column include both the foreign income, assets, and sales of the 547 "U.S. Only" companies as well as the total (worldwide) income, assets, and sales of the 185 companies that did not provide data for the right-hand column.

**Educational Support Shows Further Increase**

The Survey data show higher levels of corporate support of education in 1974 than in 1972. However, the increase in educational support was smaller than the gain of corporate contributions for all purposes and smaller than the increase in total pre-tax net income (PTNI).

These facts are illustrated by the figures given in Table III; This tabulation shows the picture for 309 companies that took part in both the 1972 Survey of Corporate Support of Education and the 1974 Survey of Corporate Contributions. For this group of companies, the data show that:

1. Contributions to education —
   - Increased from $105.0 million in 1972 to $110.4 million in 1974, an increase of 5.2%.
   - Decreased as a share of the total contributions dollar from 40.1% in 1972 to 37.5% in 1974.
   - Decreased from 0.25% of total ("Worldwide") pre-tax net income (PTNI) in 1972 to 0.18% of PTNI in 1974.
2. Total contributions for all purposes —
   - Rose from $261.8 million in 1972 to $294.5 million in 1974, a gain of 12.5%.
   - Decreased from 0.63% of PTNI in 1972 to 0.48% of PTNI in 1974.
3. Total ("Worldwide") pre-tax net income —
   - Grew from $41.5 billion in 1972 to $60.9 billion in 1974, an increase of 46.8%.

This general pattern is characteristic of most of the industrial groupings shown in Table III. All but four (electrical machinery, textiles and apparel, transportation equipment, and utilities) reported an increase in dollar support of education. Only seven, however, reported an increase in support of education as a percentage of PTNI, and five of those did so as a result of decreased PTNI rather than of increased support of education.

Among industries with 10 or more companies reporting there were several with stand-out performances. Increases of 20% or more in dollar aid to education were reported by companies in the food, beverage, and tobacco, petroleum and gas, and telecommunications industries. Increases between 10% and 20% were reported by companies in machinery, primary metals, and merchandising. And above-average increases were reported by banks, insurance companies, and those in the chemicals, fabricated metals, and paper and allied products industries. Non-manufacturers as a group increased their support of education slightly more than those in the manufacturing industries.

Table III. SUPPORT OF EDUCATION, TWO SURVEY YEARS
(309 Companies Participating in Both Surveys)

| Industry | 1974 Pre-Tax Net Income (000) | 1974 Support of Education Amount | 1974 As % of PTNI | 1974 As % of Total Contributions | 1972 Pre-Tax Net Income (000) | 1972 Support of Education Amount | 1972 As % of PTNI | 1972 As % of Total Contributions | Support of Education % Change, 1972-1974 |
|---|---|---|---|---|---|---|---|---|---|
| BANKS (29) | $ 1,856,500 | $ 3,920,300 | .21 | 25.1 | $ 1,402,100 | $ 3,653,400 | .26 | 28.2 | + 7.3 |
| ENGINEERING & CONSTRUCTION (4) | 117,800 | 334,100 | .28 | 27.8 | 37,700 | 248,700 | .66 | 28.2 | +34.3 |
| FINANCE (5) | 549,600 | 544,500 | .10 | 34.1 | 312,900 | 537,600 | .17 | 38.2 | + 1.3 |
| INSURANCE (46) | 1,984,900* | 5,373,500 | .27 | 31.2 | 2,040,700* | 4,998,000 | .24 | 34.8 | + 7.5 |
| MANUFACTURING (161) | 47,746,200 | 90,111,800 | .18 | 41.7 | 30,569,500 | 86,192,600 | .28 | 44.9 | + 4.5 |
| Chemicals (31) | 7,042,000 | 19,082,900 | .27 | 47.8 | 4,916,300 | 17,815,400 | .36 | 50.8 | + 7.1 |
| Electrical Machinery (19) | 6,369,100 | 21,929,100 | .34 | 48.3 | 5,816,300 | 22,887,200 | .39 | 51.2 | − 4.1 |
| Fabricated Metal (12) | 667,900 | 661,100 | .10 | 23.9 | 179,300 | 605,500 | .34 | 28.3 | + 9.2 |
| Food, Beverage & Tobacco (18) | 1,235,100 | 3,197,300 | .26 | 32.6 | 960,000 | 2,480,800 | .26 | 31.5 | +28.9 |
| Machinery (16) | 1,160,700 | 2,625,400 | .23 | 28.0 | 629,700 | 2,347,100 | .37 | 30.2 | +11.9 |
| Mining (5) | 453,800 | 695,500 | .15 | 40.5 | 215,400 | 561,600 | .26 | 42.8 | +23.8 |
| Paper & allied products (10) | 1,047,600 | 1,547,700 | .15 | 33.2 | 507,200 | 1,422,200 | .28 | 36.2 | + 8.8 |
| Petroleum & Gas (16) | 23,072,400 | 19,334,300 | .08 | 43.2 | 8,944,300 | 14,525,600 | .16 | 50.0 | +33.1 |
| Primary Metal (11) | 2,863,700 | 5,799,300 | .20 | 38.4 | 799,500 | 5,010,800 | .63 | 37.5 | +15.7 |
| Printing & Publishing (2) | 114,400 | 263,800 | .23 | 33.7 | 92,000 | 200,400 | .22 | 36.1 | +31.6 |
| Rubber (4) | 247,700 | 827,100 | .33 | 41.1 | 301,800 | 763,100 | .25 | 38.3 | + 8.4 |
| Stone, Clay & Glass (2) | 104,300 | 168,900 | .16 | 35.4 | 58,500 | 140,500 | .24 | 31.7 | +20.2 |
| Textiles & Apparel (5) | 35,200 | 1,627,600 | 4.63 | 44.6 | 135,800 | 1,710,500 | 1.26 | 50.6 | − 4.8 |
| Transportation Equipment (13) | 3,332,300 | 12,351,800 | .37 | 34.7 | 7,013,400 | 15,721,900 | .22 | 38.8 | −21.4 |
| MERCHANDISING (6) | 1,019,900 | 3,070,000 | .30 | 18.8 | 1,436,100 | 2,713,800 | .19 | 16.9 | +13.1 |
| TELECOMMUNICATIONS (14) | 4,533,000 | 2,633,500 | .06 | 22.4 | 2,884,600 | 1,989,300 | .07 | 21.4 | +32.4 |
| TRANSPORTATION (4) | 418,600 | 987,000 | .24 | 29.7 | 342,000 | 956,800 | .28 | 33.1 | + 3.1 |
| UTILITIES (40) | 2,691,600 | 3,472,500 | .13 | 30.4 | 2,471,600 | 3,705,500 | .15 | 30.9 | − 6.3 |
| TOTAL (309) | $60,918,100 | $110,448,200 | .18 | 37.5 | $41,497,200 | $104,995,700 | .25 | 40.1 | + 5.2 |

* Net gain from operations after dividends to policyholders, excluding capital gains and losses.

Table IV. TOTAL CONTRIBUTIONS AND EDUCATIONAL SUPPORT IN RELATION TO PRE-TAX NET INCOME, ASSETS, AND SALES, BY INDUSTRY, 1974

| Industry | Pre-Tax Net Income (000) | Assets (000) | Net Sales (000) | Total Contributions | Support of Education | Support of Welfare & Other |
|---|---|---|---|---|---|---|
| BANKS (91) | $ 3,392,600 | $ 440,286,600 | $ 33,588,800* | $ 31,472,800 | $ 7,367,600 | $ 24,105,200 |
| BUSINESS SERVICES (16) | 461,900 | 9,655,900 | 5,591,300 | 5,349,700 | 2,293,200 | 3,056,400 |
| ENGINEERING & CONSTRUCTION (11) | 133,900 | 1,734,800 | 2,860,000 | 1,548,800 | 434,200 | 1,114,700 |
| FINANCE (10) | 842,000 | 27,785,400 | 5,023,500* | 2,805,200 | 896,400 | 1,908,900 |
| INSURANCE (101) | 2,842,800† | 249,707,400 | 76,020,400‡ | 26,384,000 | 7,652,800 | 18,731,300 |
| MANUFACTURING (378) | 63,440,700 | 437,811,800 | 594,822,600 | 284,000,100 | 112,865,600 | 171,134,400 |
| Chemicals (56) | 9,183,800 | 50,564,800 | 62,761,900 | 47,608,800 | 22,069,400 | 25,539,400 |
| Electrical Machinery (45) | 6,613,000 | 56,854,100 | 69,542,500 | 48,356,800 | 22,963,500 | 25,393,200 |
| Fabricated Metal (26) | 1,102,700 | 9,293,000 | 14,009,700 | 5,670,500 | 1,396,200 | 4,274,200 |
| Food, Beverage & Tobacco (42) | 3,683,500 | 30,102,700 | 52,152,600 | 21,243,100 | 7,808,000 | 13,435,100 |
| Machinery (42) | 2,401,100 | 25,195,000 | 33,722,100 | 16,051,000 | 4,465,300 | 11,585,800 |
| Mining (11) | 1,028,900 | 7,675,700 | 5,967,500 | 4,129,700 | 1,510,600 | 2,619,100 |
| Paper & allied products (25) | 1,708,700 | 13,805,100 | 16,780,100 | 11,458,100 | 2,624,000 | 8,834,100 |
| Petroleum & Gas (25) | 27,404,800 | 132,792,400 | 174,220,000 | 49,942,000 | 21,963,200 | 27,978,800 |
| Primary Metal (21) | 4,185,200 | 28,894,900 | 33,387,000 | 18,396,800 | 6,795,100 | 11,601,800 |
| Printing & Publishing (8) | 245,700 | 1,976,300 | 2,368,700 | 2,085,200 | 712,100 | 1,373,000 |
| Rubber (8) | 551,200 | 7,577,400 | 10,457,700 | 3,931,800 | 1,724,900 | 2,206,800 |
| Stone, Clay & Glass (21) | 895,700 | 9,012,400 | 11,266,300 | 10,035,600 | 3,337,900 | 6,697,700 |
| Textiles & Apparel (19) | 492,400 | 4,362,600 | 6,984,000 | 6,176,800 | 2,497,800 | 3,679,000 |
| Transportation Equipment (29) | 3,943,900 | 59,705,500 | 101,202,500 | 38,914,000 | 12,997,600 | 25,916,400 |
| MERCHANDISING (20) | 1,558,900 | 23,900,200 | 43,272,500 | 25,508,600 | 4,366,800 | 21,141,800 |
| TELECOMMUNICATIONS (22) | 532,900 | 74,015,000 | 41,473,300 | 19,236,300 | 5,136,300 | 14,100,000 |
| TRANSPORTATION (13) | 773,200 | 20,317,600 | 12,103,200 | 5,063,800 | 1,526,400 | 3,537,300 |
| UTILITIES (70) | 4,279,800 | 87,810,000 | 33,740,600 | 18,758,700 | 5,120,000 | 13,638,700 |
| TOTAL (732) | $85,258,800 | $1,373,024,800 | $848,496,200 | $420,128,000 | $147,659,200 | $272,468,800 |
| Totals for 475 companies participating in 1972 Survey | $52,967,500 | $ 911,552,800 | $472,111,000 | $303,950,200 | $119,223,600 | $184,726,600 |

* Total business receipts.
† Net gain from operations after dividends to policyholders, excluding capital gains and losses.
‡ Total premium income and net investment income.

**Education Declines as Share of Contributions Dollar**

Table IV provides some detail of the giving pattern, by industry, for 732 companies participating in the Survey and reporting complete information. The corresponding group in the 1972 CFAE Survey contained 475 companies. Although the data for the two groups of companies are not strictly comparable, the 1974 figures reflect the same broad developments versus 1972 as are indicated in Table III.

Between 1972 and 1974 both total contributions and support of education declined in relation to corporate financial measures, and support of education declined as a share of the contributions dollar.

At $420.1 million, the total contributions of the 732 companies in 1974 amounted to 38.2% more than the $304.0 million reported by 475 companies in 1972. The corresponding difference in the figures for support of education amounts to 23.9%, so that educational support, which amounted to 39.2% of total contributions in 1972, was down to 35.1% in 1974.

Although it is clear that support of education as a share of the contributions dollar did decrease between 1972 and 1974, it is believed that the extent of the decline was less than that indicated. Certain kinds of contributions classified as support of education in the 1972 CFAE Survey were classified as support of other areas in the 1974 Survey. Whatever the quantitative impact of this factor, the decrease in the educational percentage was wide-

| Total Contributions as a % of: PTNI | Assets | Net Sales | Educational Support as a % of: PTNI | Assets | Net Sales | Percentage of Total Contributions to: Education | Welfare & Other | |
|---|---|---|---|---|---|---|---|---|
| .928 | .007 | .094 | .217 | .002 | .022 | 23.4 | 76.6 | BANKS (91) |
| 1.158 | .055 | .096 | .497 | .024 | .041 | 42.9 | 57.1 | BUSINESS SERVICES (16) |
| 1.157 | .089 | .054 | .324 | .025 | .015 | 28.0 | 72.0 | ENGINEERING & CONSTRUCTION (11) |
| .333 | .010 | .056 | .107 | .003 | .018 | 32.0 | 68.0 | FINANCE (10) |
| .928 | .011 | .035 | .269 | .003 | .010 | 29.0 | 71.0 | INSURANCE (101) |
| .448 | .065 | .048 | .178 | .026 | .019 | 39.7 | 60.3 | MANUFACTURING (378) |
| .518 | .094 | .075 | .240 | .044 | .035 | 46.4 | 53.6 | Chemicals (56) |
| .731 | .086 | .070 | .347 | .040 | .033 | 47.5 | 52.5 | Electrical Machinery (45) |
| .514 | .061 | .041 | .127 | .015 | .010 | 24.6 | 75.4 | Fabricated Metal (26) |
| .577 | .071 | .041 | .212 | .026 | .015 | 36.8 | 63.2 | Food, Beverage & Tobacco (42) |
| .669 | .064 | .048 | .166 | .018 | .013 | 27.8 | 72.2 | Machinery (42) |
| .401 | .054 | .069 | .147 | .020 | .025 | 36.6 | 63.4 | Mining (11) |
| .670 | .083 | .068 | .153 | .019 | .016 | 22.8 | 77.2 | Paper & allied products (25) |
| .182 | .038 | .029 | .080 | .017 | .013 | 44.0 | 56.0 | Petroleum & Gas (25) |
| .440 | .064 | .055 | .162 | .024 | .020 | 36.9 | 63.1 | Primary Metal (21) |
| .849 | .106 | .088 | .290 | .036 | .030 | 34.2 | 65.8 | Printing & Publishing (8) |
| .713 | .052 | .038 | .313 | .023 | .017 | 43.9 | 56.1 | Rubber (8) |
| 1.120 | .111 | .089 | .373 | .037 | .030 | 33.3 | 66.7 | Stone, Clay & Glass (21) |
| 1.254 | .142 | .088 | .507 | .057 | .036 | 40.4 | 59.6 | Textiles & Apparel (19) |
| .987 | .065 | .039 | .330 | .022 | .013 | 33.4 | 66.6 | Transportation Equipment (29) |
| 1.636 | .107 | .059 | .280 | .018 | .010 | 17.1 | 82.9 | MERCHANDISING (20) |
| .255 | .026 | .046 | .068 | .007 | .012 | 26.7 | 73.3 | TELECOMMUNICATIONS (22) |
| .655 | .025 | .042 | .197 | .008 | .013 | 30.1 | 69.9 | TRANSPORTATION (13) |
| .438 | .021 | .056 | .120 | .006 | .015 | 27.3 | 72.7 | UTILITIES (70) |
| .493 | .031 | .050 | .173 | .011 | .017 | 35.1 | 64.9 | TOTAL (732) |
| .574 | .033 | .064 | .225 | .013 | .025 | 39.2 | 60.8 | Totals for 475 companies participating in 1972 Survey |

spread; only seven of the 23 industrial groups listed in Table IV reported higher percentages of educational support to total contributions in 1974 than in 1972.

Both total contributions and educational support decreased relative to corporate income, assets, and sales on a "worldwide" basis. The total contributions of the companies reporting in the 1972 Survey was 0.57% of pre-tax income; for those participating in the 1974 Survey, it was just over 0.49%. Similarly, educational support as a percentage of PTNI dropped from 0.23% in 1972 to 0.17% in 1974. There were similar movements in the percentages relating to total assets and net sales.

Here, too, the pattern was widespread. The decrease of educational support as a percentage of PTNI characterized all but seven of the industry groups shown. Among the exceptions were the insurance companies, the rubber, the stone, clay and glass, and transportation equipment industries, and the companies in merchandising, telecommunications, and engineering and construction.

The 732 companies in the above sample reported a total pre-tax net income (worldwide) of $85.3 billion in 1974. If these companies had provided support to education at the estimated national average of 0.32% of PTNI, they would have given $273 million to education in 1974, nearly double the $148 million reported. If they had given at the 1% level, their support of education would have amounted to over $850 million.

CHART 4A

EDUCATIONAL SUPPORT AS A PERCENTAGE OF PRE-TAX NET INCOME, BY INDUSTRY, 1974

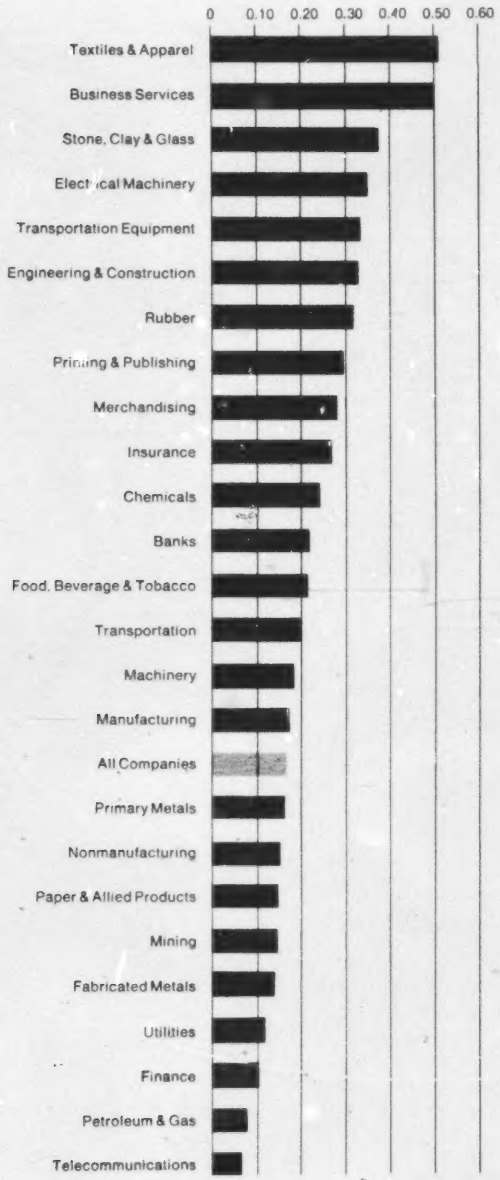
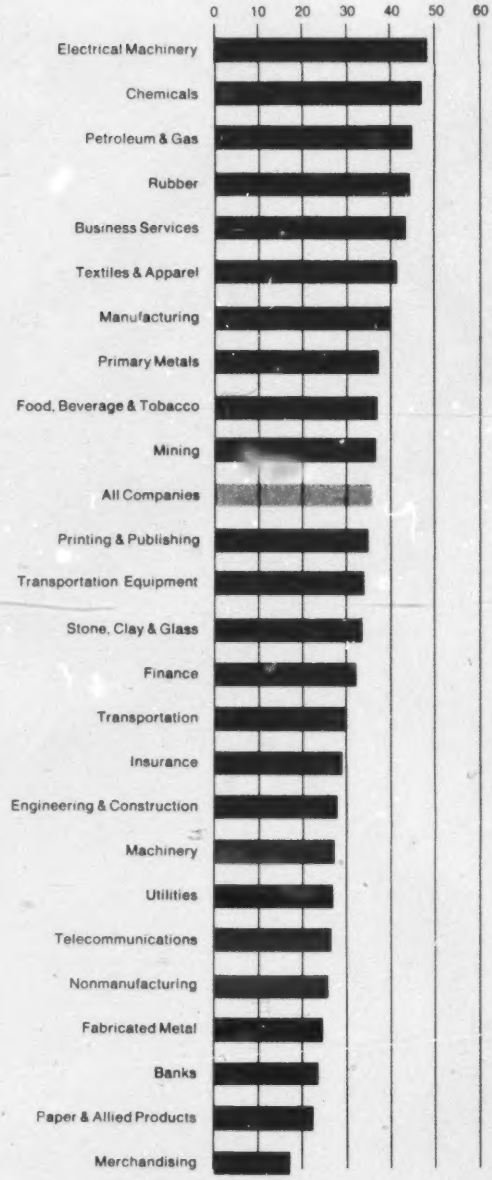



CHART 4B

EDUCATIONAL SUPPORT AS A PERCENTAGE OF TOTAL CONTRIBUTIONS, BY INDUSTRY, 1974




**Textiles and Business Services Lead Industries**

The relative performance of the 23 tabulated industries, in terms of educational support as a percentage of PTNI, is shown on Chart 4A. The 19 companies in the textiles and apparel industry and the 16 business services companies head the list with educational support at 0.507% and 0.497% of PTNI, respectively. These levels of support are roughly three times that of the entire sample of 732 companies.

The 378 companies in manufacturing industries collectively provided 0.178% of PTNI to education. This compares with an average of 0.159% of PTNI for the 354 companies in the various nonmanufacturing industries.

Chart 4B presents a similar ranking in terms of educational support as a percentage of total contributions. Six of the industry groups reported more than 40%: electrical machinery, chemicals, petroleum and gas, rubber, business services, and textiles and apparel. Educational support accounted for 39.7% of total contributions for manufacturers, as compared to 25.6% for nonmanufacturing industries.

**Manufacturers, Ranked by Size**

Table V presents a special tabulation of the 378 companies in manufacturing industries, ranked by size categories in terms of PTNI, assets, and sales, and showing total contributions and educational support as percentages of PTNI, assets, and sales. These data are consistent with data from previous surveys in showing an inverse correlation between total contributions (and support of education) as percentages of PTNI, assets, and sales, and company size; that is, the larger the company, the smaller its level of contributions as a percentage of PTNI, assets, and sales.

There is also evidence of some positive correlation between educational support as a share of total contributions and company size; that is, the larger the company, the larger the share of the contributions dollar going to education. As indicated by the tabulations, there are some significant exceptions among the groups of the smallest companies in this sample.

Table V. CONTRIBUTIONS BY MANUFACTURING COMPANIES, BY PURPOSE, 1974

As a Percentage of Pre-Tax Net Income, by Size of PTNI

| | Total | Education | Welfare & Other | Percentage of Total Contributions Education | Welfare & Other |
|---|---|---|---|---|---|
| Net Loss (5) | | | | 26.7 | 73.3 |
| Net Income less than $5 million (47) | 4.40 | 1.75 | 2.65 | 39.7 | 60.3 |
| $ 5 million under $ 10 million (44) | 1.23 | .36 | .86 | 29.5 | 70.5 |
| $ 10 million under $ 25 million (71) | .95 | .30 | .65 | 31.7 | 68.3 |
| $ 25 million under $ 50 million (61) | .84 | .25 | .58 | 30.1 | 69.9 |
| $ 50 million under $100 million (46) | .79 | .29 | .50 | 37.3 | 62.7 |
| $100 million under $500 million (79) | .56 | .20 | .36 | 35.5 | 64.5 |
| $500 million and over (25) | .31 | .14 | .17 | 46.1 | 53.9 |
| All Manufacturing Companies (378) | .45 | .18 | .27 | 39.7 | 60.3 |

As a Percentage of Total Assets, by Size of Assets

| | Total | Education | Welfare & Other | Percentage of Total Contributions Education | Welfare & Other |
|---|---|---|---|---|---|
| Less than $5 million (2) | .35 | .01 | .33 | 3.4 | 96.6 |
| $ 5 million under $ 25 million (14) | .33 | .14 | .19 | 41.8 | 58.2 |
| $ 25 million under $ 50 million (29) | .15 | .03 | .11 | 23.6 | 76.4 |
| $ 50 million under $100 million (50) | .09 | .02 | .07 | 27.2 | 72.8 |
| $100 million under $250 million (76) | .09 | .03 | .06 | 34.9 | 65.1 |
| $250 million under $500 million (62) | .08 | .03 | .05 | 31.9 | 68.1 |
| $500 million under $ 1 Billion (45) | .08 | .03 | .05 | 34.3 | 65.7 |
| $ 1 billion and over (100) | .06 | .02 | .03 | 41.5 | 58.5 |
| All Manufacturing Companies (378) | .06 | .03 | .04 | 39.7 | 60.3 |

As a Percentage of Net Sales, by Size of Sales

| | Total | Education | Welfare & Other | Percentage of Total Contributions Education | Welfare & Other |
|---|---|---|---|---|---|
| Less than $5 million (0) | | | | | |
| $ 5 million under $ 25 million ( 2) | .25 | .18 | .08 | 69.6 | 30.4 |
| $ 25 million under $ 50 million (22) | .11 | .05 | .06 | 47.6 | 52.4 |
| $ 50 million under $100 million (32) | .06 | .02 | .05 | 26.3 | 73.7 |
| $100 million under $250 million (81) | .08 | .03 | .05 | 33.9 | 66.1 |
| $250 million under $500 million (67) | .05 | .02 | .04 | 30.3 | 69.7 |
| $500 million under $ 1 billion (53) | .07 | .03 | .04 | 39.2 | 60.8 |
| $ 1 billion and over (121) | .04 | .02 | .03 | 40.6 | 59.4 |
| All Manufacturing Companies (378) | .05 | .02 | .03 | 39.7 | 60.3 |

Table VI. CORPORATE CONTRIBUTIONS TO EDUCATION BY MAJOR MARKETING AREAS, 1974

| Marketing Area, with Number of Companies Reporting | Pre-Tax Net Income (000) | Support of Education | Support of Education as a % of PTNI* | Total Contributions | Support of Education as a % of Total Contributions |
|---|---|---|---|---|---|
| AKRON (4) | $ 513,500 | $ 1,455,500 | .284 | $ 2,989,800 | 48.7 |
| BALTIMORE (7) | 205,100 | 456,300 | .223 | 1,724,300 | 26.5 |
| BOSTON (16) | 460,200 | 1,338,100 | .291 | 4,443,400 | 30.1 |
| CHICAGO (43) | 6,067,400 | 9,976,200 | .164 | 36,214,200 | 27.5 |
| CINCINNATI-DAYTON (16) | 1,260,200 | 2,538,300 | .201 | 6,872,200 | 36.9 |
| CLEVELAND (26) | 1,380,400 | 3,229,800 | .234 | 10,315,700 | 31.3 |
| DALLAS-FT. WORTH (15) | 632,800 | 952,800 | .151 | 3,463,200 | 27.5 |
| DES MOINES (7) | 135,000 | 366,000 | .271 | 894,800 | 40.9 |
| DETROIT (12) | 2,656,700 | 9,639,500 | .363 | 26,045,100 | 37.0 |
| HARTFORD (12) | 679,700 | 1,580,200 | .233 | 7,888,800 | 20.0 |
| HOUSTON (5) | 1,446,400 | 2,853,200 | .197 | 5,585,400 | 51.1 |
| INDIANAPOLIS (10) | 617,000 | 1,044,100 | .169 | 3,976,100 | 26.3 |
| KANSAS CITY (6) | 380,300 | 170,800 | .045 | 586,000 | 29.1 |
| LOS ANGELES (21) | 1,760,400 | 4,163,300 | .237 | 11,572,700 | 36.0 |
| MILWAUKEE (17) | 588,600 | 1,021,600 | .174 | 4,424,300 | 23.1 |
| MINNEAPOLIS-ST. PAUL (24) | 944,400 | 2,737,000 | .290 | 12,538,100 | 21.8 |
| NEW YORK, Westchester Southern Conn./N.J. (135) | 43,498,400 | 49,275,500 | .113 | 130,438,700 | 37.8 |
| PHILADELPHIA (19) | 1,864,000 | 2,201,200 | .118 | 11,240,600 | 19.6 |
| PITTSBURGH (19) | 2,614,600 | 7,370,100 | .282 | 20,472,300 | 36.0 |
| ST. LOUIS (12) | 849,000 | 1,406,500 | .166 | 4,907,300 | 28.7 |
| SAN FRANCISCO (16) | 3,173,800 | 4,436,000 | .140 | 12,055,100 | 36.8 |

*In view of the fact that some of the marketing areas are represented by a relatively small number of companies, major importance should not be attached to minor differences in the percentage figures.

**Geographical Differences**

Corporate support of education differs geographically as well as by industry and by company size. Table VI and Charts 5A and 5B show the contributions data for selected marketing areas (those from which four or more companies took part in the Survey).

As a percentage of PTNI, educational contributions in 1974 ranged from a high of 0.36 for the 12 companies in Detroit to a low of 0.05 for the six companies in Kansas City. The figure for all companies in the Survey, including areas not shown, was 0.17.

As a share of total corporate contributions, educational support ranged from a high of 51.1% for the five companies in Houston to a low of 19.6% for the 19 companies in Philadelphia. For all companies in the Survey, the figure was 35.1%

CHART 5A

CORPORATE SUPPORT OF EDUCATION AS A PERCENTAGE OF PRE-TAX NET INCOME, BY MARKETING AREAS, 1974

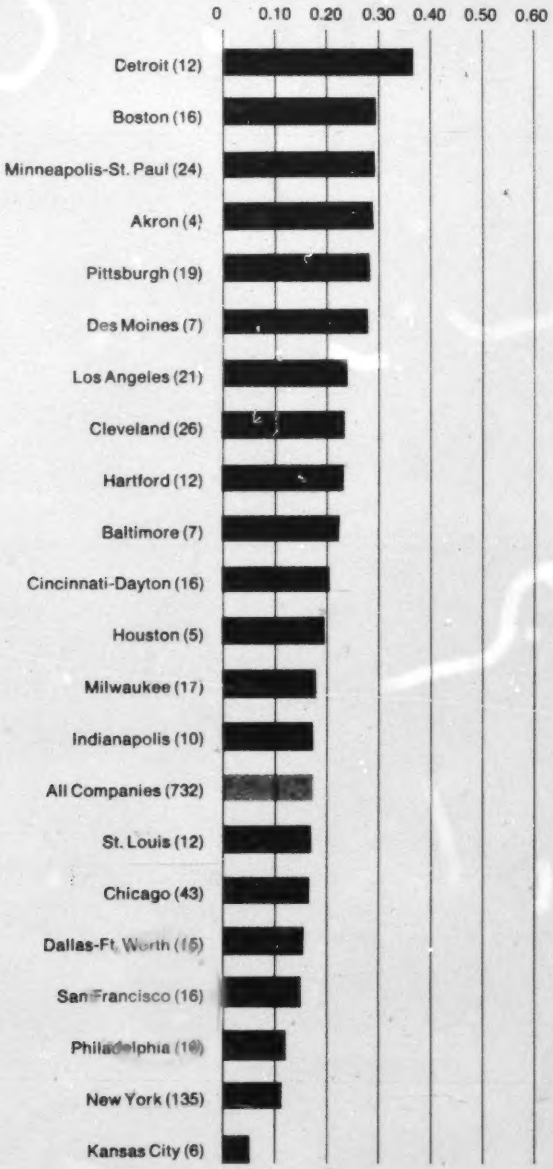



CHART 5B

CORPORATE SUPPORT OF EDUCATION AS A PERCENTAGE OF TOTAL CONTRIBUTIONS, BY MARKETING AREAS, 1974

**Grants to Colleges Up More than Other Educational Grants**

The 799 companies participating in the 1974 Survey reported a total of $153.0 million in support of education. There were 778 companies, accounting for $148.1 million of this total, which gave a breakdown of their figures by purpose. These data are summarized in Table VII.

These figures are not precisely comparable to those in the prior CFAE Surveys because of changes in the format used for the 1974 Survey. For most of the individual components, however, it is possible to make a rough determination of recent trends.

1. Direct and indirect corporate support of the institutions of higher education, which amounted to 69.6% of the total in 1968 and 71.3% in 1970, rose from 65.5% of the total in 1972 to 73.2% of the total in 1974. The latter percentage is overstated slightly because the figure for matching gift programs includes matching payments to pre-college institutions. However, it is certain that corporate support of the institutions of higher education increased more rapidly between 1972 and 1974 than did corporate support of education generally (see pp. 7-8).

2. The relative importance of scholarships and fellowships declined from 12.7% in 1972 to 8.7% in 1974. In combination with institutional support for "student aid purposes," the decline was from 16.1% to 15.2%. The combined figure was 14.4% in 1968 and 16.6% in 1970.

3. Capital grants, which accounted for 16.9% of the total in 1974, appear to have been within the range of recent years. Grants for capital purposes amounted to 21.0% in 1968, 18.5% in 1970, and 14.9% in 1972. Much of this variation is due to the timing of institutional capital campaigns.

4. The relative importance of unrestricted grants in 1974 is not clear. The amount shown, which accounted for 20.5% of the total, does not include the payments under corporate gift-matching programs. It is believed that such payments are largely unrestricted, but there is little information of a precise nature on this subject. The amounts reported as unrestricted in 1968, 1970, and 1972, when no space was provided for separate reporting of support through matching gift programs, were 21.5%, 25.9%, and 22.9%, respectively.

5. The amounts reported as departmental and research grants equalled 15.3% of the total. This is a higher proportion than ever reported previously, and it is believed to include grants for faculty compensation and other restricted purposes which were detailed separately in previous CFAE Surveys.

6. Indirect support through state and national fund-raising groups comprised only 5.8% of total corporate aid to education in 1974. This compares with 7.4% in 1968, 8.1% in 1970, and 7.8% in 1972. Such support was also in a declining trend prior to 1968.

7. Corporate support of pre-college education decreased from 4.6% of the total in 1972 to 4.1% in 1974. The comparable figures were 5.8% in 1968 and 3.1% in 1970.

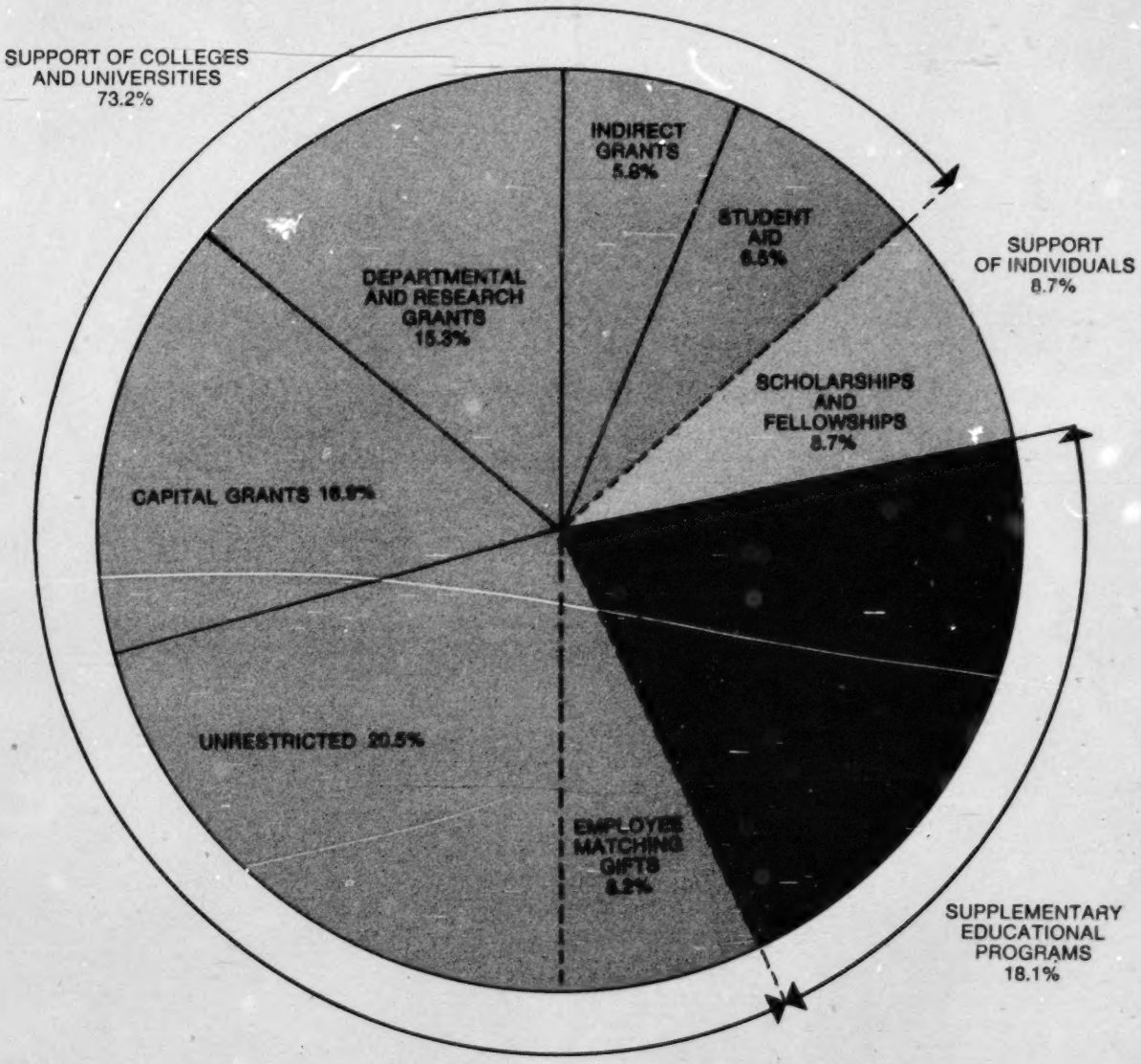
8. Corporate support of education-related organizations accounted for 6.6%, and other educational grants 7.4%, of the total in 1974. Taken together, they comprise 14.0% of the total, which compares with 13.4% in 1968, 12.5% in 1970, and 17.2% in 1972. The decrease between 1972 and 1974 is partly due to non-recurring items in the 1972 Survey, and partly due to changes in the reporting format in 1974.

Table VII. PURPOSES OF EDUCATIONAL SUPPORT, 1974
(778 Companies Reporting)

| | Amount | % of Total |
|---|---|---|
| SUPPORT OF COLLEGES AND UNIVERSITIES | | |
| Direct Grants: | | |
| Unrestricted Operating Grants | $ 30,374,100 | 20.5% |
| Student Financial Aid | 9,701,200 | 6.5 |
| Departmental and Research Grants | 22,628,100 | 15.3 |
| Capital Grants (including Endowment) | 25,062,300 | 16.9 |
| Employee Matching Gift Programs | 12,227,000 | 8.2 |
| Total Direct Grants | $ 99,992,700 | 67.4% |
| Indirect Grants through State and National Fund-Raising Groups | 8,530,900 | 5.8 |
| TOTAL SUPPORT OF COLLEGES AND UNIVERSITIES | $108,523,600 | 73.2% |
| PRE-COLLEGE EDUCATIONAL INSTITUTIONS | 6,017,500 | 4.1 |
| SCHOLARSHIPS AND FELLOWSHIPS | 12,846,100 | 8.7 |
| EDUCATION-RELATED ORGANIZATIONS | 9,834,800 | 6.6 |
| OTHER EDUCATIONAL SUPPORT | 10,926,300 | 7.4 |
| TOTAL CORPORATE SUPPORT OF EDUCATION | $148,148,300 | 100.0% |

CHART 6

CORPORATE SUPPORT OF EDUCATION BY PURPOSE, 1974*




* Based on data from 778 companies

## THE CFAE

The Council for Financial Aid to Education is a nonprofit service organization charged with stimulating the widest possible voluntary support of higher education, especially by the corporate community.

It was founded in 1952 by the chairmen of the boards of five major corporations: United States Steel, General Motors, Exxon, Container Corporation, and Armstrong Cork. The chairmen were Irving S. Olds, Alfred P. Sloan, Jr., Frank W. Abrams, Walter P. Paepcke, and Henning W. Prentis.

The Council publishes two major reports on voluntary support of higher education each year: one on contributions received by the colleges and universities, a second on contributions made by corporations. CFAE also publishes special studies in related fields.

Staff members call personally upon hundreds of top-echelon business leaders every year to explain the financial needs of higher education and to enlist corporate support in meeting them. CFAE also offers counseling services to corporate and college administrators. It conducts symposia, issues informational publications and materials designed to help broaden the base of educational support, and publishes a quarterly newsletter for contributions executives.

In cooperation with the Advertising Council, CFAE sponsors the nationwide public-service advertising campaign "Give to the college of your choice. Now." This campaign has elicited as much as $25 million in free time and space from the media in one year.

The CFAE itself neither solicits nor disburses funds for higher education. Originally funded by four major foundations—the Carnegie Corporation of New York, the Ford Foundation, the Rockefeller Foundation, and the Alfred P. Sloan Foundation—the CFAE now draws its support from more than 350 leading American corporations.

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